

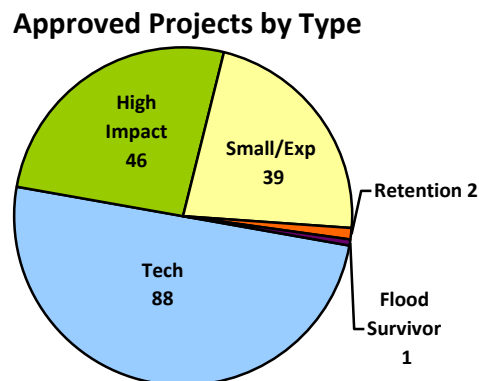
MISSOURI QUALITY JOBS



2009 Annual Report

Missouri Quality Jobs Program Annual Report for 2009

The Missouri Quality Jobs Program was introduced and passed during the 2005 Legislative Session, and became effective on August 28, 2005. As of the end of 2009, 173 New Jobs projects (representing 145 organizations), 2 Retention projects and 1 Small Business Job Retention and Flood Survivor Relief project are approved to participate in the program. Sixty projects did not meet the program requirements and were removed from the list of approved projects.



Program Requirements

The Quality Jobs Program provides benefits for companies creating a minimum number of new jobs as required by each of the project types. A Notice of Intent is submitted by the company, and the Department provides an approval that is the beginning of the job creation period. Small/expanding business projects must create a minimum of twenty new jobs in rural counties or forty new jobs in non-rural counties within two years. Technology business projects, determined by the NAICS code assigned for the business activity at the facility, must create ten or more new jobs within two years. High impact projects must create at least one hundred new jobs, the first new job within one year of approval and at least an additional ninety-nine new jobs within two years of hiring of the first new job. For program eligibility, the average wage of the new jobs must be at least the county average wage, the employees must work an average of thirty-five hours a week and the employer must offer health insurance to the employee, paying at least fifty percent of the premium.

The Small Business Job Retention and Flood Survivor Relief portion of the Quality Jobs Program offers a benefit to companies of less than 100 employees that did not receive any other flood relief. To qualify, the primary site must be located in an area affected by flooding above the five hundred year flood plain, all of the company's facilities must be located in Missouri, the average wage must be at least the county average wage, and the company must invest a minimum of \$2 million in capital improvements and equipment at the facility.

For consideration under the Retention portion of the Quality Jobs Program, companies must have been considered to have a significant statewide effect on the economy, have been determined to represent a substantial risk of relocation from the state and must have employed a minimum of one thousand full-time employees for the previous two years with the average wage at or exceeding the county average wage. Additional requirements are that the company must provide new investment of at least \$70 million within two years or invest at least \$30 million within two years and maintain a payroll of at least \$70 million each year a tax credit is claimed. To be

eligible, local incentives must be at least fifty percent of the new local revenue generated for ten years.

Changes to Statute

Legislation regarding the Quality Jobs program was passed and then signed by the Governor, taking effect on June 4, 2009. Most notable changes include a tax credit cap increase from \$60 million to \$80 million, allowing a greater number of projects to receive full program benefits. In addition, the per company tax credit cap for High Impact and Technology projects was removed.

Location

Missouri Quality Jobs projects creating new jobs have been approved statewide during the program's existence, including 113 projects in non-rural areas and 60 projects in rural areas. A "rural area" is defined in Section 620.1878(27) as "a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census."

Annual Benefit

Benefits for the Missouri Quality Jobs Program may be in two forms, retained withholdings and/or tax credits, depending on the project type.

- Small/expanding business projects may retain the state withholding tax of new jobs for three years if the average wage of the new jobs equals one hundred to one hundred nineteen percent of the county average wage or for five years if the average wage of the new jobs is one hundred twenty percent or more of the county average wage.
- Technology projects receive a base benefit of five percent of the new payroll for five years. An Average Wage Bonus (see below) may be added if requirements are met. If the withholdings are less than the total benefit, the balance is issued to the company in the form of a sellable/refundable state tax credit.
- High Impact projects receive a base benefit of three percent of the new payroll for five years. An Average Wage Bonus and Local Incentives Bonus (see below) may be added if requirements are met. If the withholdings are less than the total benefit, the balance is issued to the company in the form of a sellable/refundable tax credit.
- Small Business Job Retention and Flood Survivor Relief projects receive a benefit of a refundable/sellable state tax credit equal to the state withholding tax of the full-time jobs at the facility for a period of three years.

Average Wage Bonus – Bonus based on percentage of new job average wage to county average wage.

- Greater than 120% and up to 140% - company receives additional ½ % of the payroll of new jobs
- Greater than 140% – company receives additional 1% of the payroll of new jobs

Local Incentives Bonus – Bonus based on the local incentives provided to the project as a percentage of new local tax revenue generated from the project, over ten years.

- 10-24% - company receives additional 1% of the payroll of new jobs
- 25-49% - company receives additional 2% of the payroll of new jobs
- 50% or more – company receives additional 3% of the payroll of new jobs

Net State Fiscal Impact

The Missouri Economic Research Center has estimated the economic impact of the Missouri Quality Jobs Program using the REMI Missouri Regional Economic Model. Key findings for program impact include:

Over 15 years, every dollar of investment in the Missouri Quality Jobs program returns:

- \$6.79 in new general revenues for the State of Missouri, totaling \$1.468 billion over 15 years
- \$157.47 in new personal income for Missourians, totaling \$39.915 billion over 15 years
- \$295.87 in new value added to the state economy, totaling \$74.993 billion over 15 years
- \$506.52 in new economic activity in Missouri, totaling \$128.385 billion over 15 years

The Research Brief for projects active in 2009 is provided as part of the annual report for this program.

Missouri Quality Jobs --- Job Creation Projects Approved in Calendar Year 2009

NOI Approvals	Location	County	NOI Approval Date	Anticipated New Jobs - Cumulative Year 5	Anticipated Investment - Cumulative Year 5	Projected Average Starting Wage	Withholding by Company	Tax Credits by Company	Total Benefits
ABC Labs - NOI #2	Columbia	Boone	7/24/2009	140	\$4,000,000	\$39,000	\$480,600	\$498,400	\$979,000
Boehringer Ingelheim Vetmedica, Inc.	St. Joseph	Buchanan	11/2/2009	40	\$80,000,000	\$60,000	\$387,500	\$362,500	\$750,000
BUNZL USA, Inc.	St. Louis	St. Louis	12/4/2009	75	\$130,000	\$53,000	\$312,170	\$0	\$312,170
Capital Electric Line Builders, Inc.	Kansas City	Jackson	4/15/2009	40	\$718,000	\$70,000	\$481,800	\$0	\$481,800
Carbolytic Materials Company, LLC - NOI #2	Maryville	Nodaway	10/16/2009	20	Not projected	\$41,600	\$115,419	\$123,378	\$238,797
Centene - NOI #2	St. Louis	St. Louis	6/26/2009	462	\$179,000,000	\$80,664	\$4,935,653	\$5,533,914	\$10,469,567
Cerner Corporation	N. Kansas City	Clay	11/4/2009	50	Not projected	\$55,000	\$398,750	\$357,500	\$756,250
Confluence Solar, Inc.	Hazelwood	St. Louis	2/13/2009	159	\$169,806,000	\$67,391	\$0	\$2,170,935	\$2,170,935
Detroit Tool Metal Products	Lebanon	Laclede	1/16/2009	125	\$13,000,000	\$29,120	\$0	\$1,031,135	\$1,031,135
EnerSys Energy Products, Inc.	Warrensburg	Johnson	3/27/2009	180	\$39,160,000	\$31,295	\$0	\$1,715,996	\$1,715,996
Essence Group Holdings Corporation	Creve Couer	St. Louis	3/25/2009	477	\$5,000,000	\$58,000	\$0	\$3,211,530	\$3,211,530
Express Scripts, Inc. - NOI #2	St. Louis	St. Louis	2/13/2009	180	\$21,500,000	\$60,000	\$1,526,738	\$782,170	\$2,308,908
Genesis 10	Kansas City	Jackson	10/23/2009	250	\$2,380,500	\$65,000	\$0	\$3,990,000	\$3,990,000
Hathmore Technologies, LLC	Independence	Jackson	4/2/2009	30	\$5,000,000	\$39,250	\$132,848	\$113,168	\$246,016
Heizer Aerospace	Pevely	Jefferson	6/12/2009	200	\$6,500,000	\$29,197	\$0	\$1,404,124	\$1,404,124
Horner & Shifrin, Inc.	St. Louis	St. Louis	8/7/2009	10	\$600,000	\$50,000	\$77,500	\$47,500	\$125,000
Integrity Custom Web Solutions	St. Louis	St. Louis	11/6/2009	71	Not projected	\$42,000	\$251,749	\$182,301	\$434,050
Jefferson City Medical Group	Jefferson City	Cole	7/10/2009	20	Not projected	\$58,235	\$191,691	\$0	\$191,691
Kansas City Southern Railroad	Kansas City	Jackson	1/29/2009	130	\$890,000	\$77,054	\$0	\$3,505,955	\$3,505,955
Klassic Ice Lights I LLC	Macon	Macon	4/7/2009	210	Not projected	\$29,390	\$748,557	\$227,822	\$976,379
Mary Lee Packaging	Perryville	Perry	10/28/2009	120	\$18,000,000	\$42,500	\$760,571	\$1,075,290	\$1,835,861
Mid-States Mechanical Services, Inc.	Joplin	Newton	4/1/2009	21	\$171,000	\$35,000	\$59,535	\$0	\$59,535
Monsanto	St. Louis	St. Louis	7/29/2009	100	Not projected	\$74,560	\$1,310,463	\$1,270,752	\$2,581,215
Mortgage Research	Columbia	Boone	6/26/2009	120	Not projected	\$60,000	\$1,185,000	\$344,032	\$1,529,032
Mortgage Returns, LLC	St. Louis	St. Louis	3/17/2009	50	\$500,000	\$40,000	\$191,400	\$138,600	\$330,000
Old World Spices & Seasonings	Concordia	Lafayette	7/23/2009	24	Not projected	\$44,200	\$92,289	\$0	\$92,289
Orgill #1	Sikeston	Scott	7/31/2009	193	\$37,200,000	\$29,088	\$0	\$1,974,529	\$1,974,529
Orgill #2	Sikeston	Scott	7/31/2009	100	Not projected	\$29,088	\$0	\$1,994,664	\$1,994,664
Orscheln Products, LLC	Moberly	Randolph	7/10/2009	100	Not projected	\$28,778	\$351,408	\$565,310	\$916,718
Patriot Machine, Inc.	St. Charles	St. Charles	3/2/2009	10	\$4,000,000	\$40,000	\$61,586	\$44,597	\$106,183
Pave Guard Technologies	Lee's Summit	Jackson	7/10/2009	60	\$3,750,000	\$44,000	\$350,900	\$0	\$350,900
Production Castings	Fenton	Jefferson	9/15/2009	25	Not projected	\$29,945	\$49,777	\$0	\$49,777
ProEnergy Services, LLC	Sedalia	Pettis	7/30/2009	300	\$63,000,000	\$59,467	\$0	\$5,368,790	\$5,368,790
Rio National Insurance Services	Lee's Summit	Jackson	8/28/2009	100	\$850,000	\$40,710	\$289,483	\$0	\$289,483
RKV Technologies, Inc.	Jefferson City	Cole	2/13/2009	15	Not projected	\$80,000	\$201,968	\$165,245	\$367,213
Sabreliner Corporation	Perryville	Perry	2/27/2009	88	\$2,005,000	\$34,000	\$248,000	\$248,000	\$496,000
Saepio Technologies, Inc.	Kansas City	Jackson	1/6/2009	30	\$6,792,170	\$62,500	\$188,148	\$145,663	\$333,811
Scottrade	St. Louis City	St. Louis	10/22/2009	500	\$7,260,000	\$50,000	\$2,517,379	\$2,354,968	\$4,872,347
Service Management Group, Inc.	Kansas City	Jackson	1/15/2009	149	\$1,200,000	\$64,500	\$1,178,134	\$0	\$1,178,134
Smith Electric Vehicles US Corp.	Kansas City	Platte	3/30/2009	200	\$10,000,000	\$44,000	\$0	\$1,726,875	\$1,726,875
Taliaferro & Browne	Kansas City	Jackson	7/23/2009	15	Not projected	\$53,500	\$132,079	\$80,951	\$213,030

Missouri Quality Jobs --- Job Creation Projects Approved in Calendar Year 2009

NOI Approvals	Location	County	NOI Approval Date	Anticipated New Jobs - Cumulative Year 5	Anticipated Investment - Cumulative Year 5	Projected Average Starting Wage	Withholding by Company	Tax Credits by Company	Total Benefits
Telamon Corporation - NOI #1	Fenton	St. Louis	1/31/2009	28	\$563,000	\$46,966	\$158,283	\$114,619	\$272,902
Telamon Corporation - NOI #2	Fenton	Jefferson	7/14/2009	28	\$563,000	\$46,966	\$158,283	\$169,198	\$327,481
The Jones Financial Companies, LLLP - North Campus	Maryland Heights	St. Louis	5/6/2009	800	Not projected	\$52,000	\$5,995,971	\$0	\$5,995,971
The Jones Financial Companies, LLLP - South Campus	St. Louis	St. Louis	1/18/2009	800	Not projected	\$61,211	\$5,995,971	\$3,750,000	\$9,745,971
TradeHarbor Inc.	St. Louis	St. Louis	11/4/2009	66	Not projected	\$90,000	\$411,400	\$314,600	\$726,000
Wi-Fi Sensors	Kirksville	Adair	7/9/2009	120	Not projected	\$26,000	\$0	\$793,400	\$793,400
Total				7,031	\$683,538,670		\$31,929,003	\$47,898,411	\$79,827,414

Quality Jobs Program
Project Benefits through December 31, 2009

High Impact Projects								
Requestor	Location	County	Actual Withholding Amount	Actual Tax Credits	Actual New Jobs	Anticipated Withholding Amount (over 5 years)	Anticipated Tax Credits (over 5 years)	Anticipated new Jobs (over 5 years)
American Family Mutual Insurance Company	St. Louis	St. Louis	122,831.00	0.00	Did not maintain thresholds-not currently receiving benefits			
Brown Shoe Company - NOI #1	St. Louis	St. Louis	0.00	230,535.04	177	0.00	3,107,732.00	100.00
Brown Shoe Company - NOI #2	St. Louis	St. Louis	0.00	34,803.60	130	0.00	6,331,411.00	492.00
Capital Electric, Inc.	Kansas City	Jackson	50,351.00	0.00	137	1,823,575.00	529,425.00	205
Centene Corporation	St. Louis	St. Louis	401,722.33	39,473.47	291	7,896,220.00	3,951,577.00	901
Express Scripts, Inc.	St. Louis	St. Louis	2,864,434.00	1,396,926.23	532	4,732,574.00	3,345,311.00	480
Innovative Resource Group, LLC	Earth City	St. Louis	46,888.00	0.00	117	582,945.00	623,145.00	100
Isle of Capri Casinos, Inc.	St. Louis	St. Louis	2,209,399.28	344,883.52	107	2,173,720.00	2,437,200.00	150
Progress West Healthcare Center	O'Fallon	St. Charles	966,078.00	38,216.55	188	2,296,515.00	475,141.00	457
Saint Luke's East Hospital	Lee's Summit	Jackson	1,005,066.00	0.00	248	1,100,500.00	319,500.00	170
Smurfit-Stone Container Enterprises, Inc.	St. Louis	St. Louis	888,362.00	150,099.51	296	3,404,862.00	4,241,623.00	283
State Street Bank - NOI #1	Kansas City	Jackson	537,157.00	151,591.59	143	1,942,784.00	2,555,694.00	143
State Street Bank - NOI #2	Kansas City	Jackson	265,655.00	55,431.28	180	1,155,515.00	1,593,478.00	180
The Jones Financial Company - North Campus	St. Louis	St. Louis	140,263.00	0.00	161	5,995,971.00	0.00	800
The Jones Financial Company - South Campus	St. Louis	St. Louis	464,625.00	0.00	406	5,995,971.00	3,750,000.00	800
Total - High Impact			9,962,831.61	2,441,960.79	3,113			5,261
Small/Expanding Projects								
Requestor	Location	County	Actual Withholding Amount	Actual Tax Credits	Actual New Jobs	Anticipated Withholdings (over 3 or 5 year benefit period)	Anticipated Tax Credits (over 3 or 5 year benefit period)	Anticipated new Jobs (over 3 or 5 year benefit period)
1914 Holding Company	Kansas City	Jackson	543,941.00	0.00	16	1,428,325.00	0	200
Kemco Tool and Machine Company, Inc.	St. Louis	St. Louis	163,181.46	0.00	68	654,260.00	0	100
New Wave Communications dba								
Telecommunications Management	Sikeston	Scott	251,739.00	0.00	103	404,550.00	0	66
Patriot Coal Corporation	St. Louis	St. Louis	894,824.53	0.00	81	854,106.00	0	65
Polsinelli Shalton Welte Suelthaus, PC	Kansas City	Jackson	125,547.00	0.00	Did not maintain thresholds-not currently receiving benefits			
Prairie Pride	Nevada	Vernon	77,607.83	0.00	46	156,725.00	0	40
Rehabcare Group, Inc.	St. Louis	St. Louis	271,794.00	0.00	41	343,275.00	0	130
The Coca-Cola Company	Warrenton	Warren	33,417.00	0.00	45	286,334.00	0	60
Wings Enterprises	Sullivan	Washington	2,519.00	0.00	Did not maintain thresholds-not currently receiving benefits			
Total Small/Expanding			2,364,570.82	0.00	400	4,127,575.00	0	661

Technology Projects								
Requestor	Location	County	Actual Withholding Amount	Actual Tax Credits	Actual New Jobs	Anticipated Withholding Amount (over 5 years)	Anticipated Tax Credits (over 5 years)	Anticipated new Jobs (over 5 years)
Acceleration, LLC	Lee's Summit	Jackson	21,015.00	13,167.47	13	157,687.00	141,375.00	30
Analytical BioChemistry Laboratories, Inc.	Columbia	Boone	292,102.04	25,351.47	103	706,500.00	601,833.00	250
Applied Food Biotechnology, Inc.	St. Charles	St. Charles	17,704.00	1,990.45	17	409,956.00	379,346.00	43
Burns & McDonnell Engineering	St. Louis	St. Louis	59,115.00	0.00	11	279,000.00	261,000.00	50
Carfax, Inc.	Columbia	Boone	77,091.00	48,062.60	51	204,292.00	191,113.00	38
CET, LLC	Earth City	St. Louis	26,273.00	0.00	10	235,935.00	220,713.00	30
DACA Machine and Tool, LLC	Dutzow	Warren	17,683.00	0.00	23	234,892.00	287,089.00	70
DeWaay Financial, LLC	Kansas City	Jackson	63,350.00	549.11	12	511,401.00	391,071.00	35
Duck Creek Technologies, Inc.	Bolivar	Polk	405,150.37	242,594.35	84	437,901.00	409,649.00	65
GKN Aerospace North America, Inc.	Hazelwood	St. Louis	0.00	248,678.94	142	0.00	2,019,382.00	120
Global Velocity, Inc.	St. Louis	St. Louis	13,907.00	0.00	10	496,878.00	379,965.00	100
Harman Becker Automotive Systems, Inc. - NOI #1	Washington	Franklin	0.00	189,080.00	221	0.00	1,906,149.00	221
Hellmuth, Obata & Kassabaum, Inc.	St. Louis	St. Louis	6,854.00	0.00	Did not maintain thresholds-not currently receiving benefits			
KV Pharmaceutical Company	Bridgeton	St. Louis	623,202.56	95,694.08	197	1,563,680.00	1,239,665.00	280
KV Pharmaceutical Company	Earth City	St. Louis	24,406.00	0.00	32	410,750.00	384,250.00	70
KV Pharmaceutical Company	Maryland Heights	St. Louis	45,260.00	0.00	43	369,520.00	345,680.00	50
KV Pharmaceutical Company	St. Louis	St. Louis	294,808.30	30,174.20	44	456,286.00	330,414.00	90
Mastercard International, LLC	O'Fallon	St. Charles	442,183.73	44,333.65	101	2,522,114.00	1,928,675.00	123
McAllister Software Systems, Inc.	Piedmont	Wayne	7,287.00	0.00	19	125,584.00	174,728.00	64
Midwest Data Center	Rock Port	Atchison	21,765.00	10,733.56	12	49,753.00	69,222.00	22
Netlabs, LLC	St. Louis	St. Louis City	96,354.00	45,434.83	26	213,094.00	229,346.00	34
Nostrum Laboratories, Inc.	Kansas City	Jackson	72,930.00	31,328.13	24	614,913.00	476,061.00	80
Onshore Technology Services	Macon	Macon	14,341.00	4,017.15	11	1,286,875.00	1,527,830.00	453
Paul Mueller Company, Inc.	Springfield	Greene	261,044.00	180,596.18	66	2,886,950.00	2,261,500.00	675
Populous, Inc.	Kansas City	Jackson	524,857.00	221,801.59	86	258,583.00	276,418.00	40
Savvis Communications	Chesterfield	St. Louis	900,361.86	85,745.78	85	2,314,045.00	1,792,887.00	290
Seventh Wave Laboratories, LLC	Chesterfield	St. Louis	58,198.00	21,616.12	26	199,950.00	187,050.00	30
Steelville Manufacturing	Steelville	Crawford	2,846.00	0.00	22	85,884.00	100,820.00	40
Stowers Institute for Medical Research	Kansas City	Jackson	23,124.00	11,994.94	27	433,280.00	369,088.00	80
Tetra Tech EM, Inc.	Kansas City	Jackson	112,899.68	102,389.07	49	851,598.00	796,656.00	88
The Newberry Group, Inc.	St. Charles	St. Charles	51,602.00	32,179.62	18	217,500.00	232,500.00	50
Ungerboeck Systems International, Inc.	O'Fallon	St. Charles	108,924.00	12,427.89	28	213,900.00	200,100.00	30
Willbros Engineers, Inc.	Kansas City	Jackson	168,139.33	30,803.03	38	495,953.00	463,955.00	65
World Wide Technology Holding Company, Inc.	St. Louis	St. Louis	75,105.00	49,840.46	22	146,098.00	130,985.00	28
World Wide Technology Holding Company, Inc.	Maryland Heights	St. Louis	185,685.00	134,813.72	21	456,286.00	330,414.00	90
Total - Technology			5,115,567.87	1,915,398.39	1,694	19,847,038.00	21,036,929.00	3,824
Grand Total - New Jobs Projects			17,442,970.30	4,357,359.18	5,207	23,974,613	21,036,929	9,746

Small Business Job Retention and Flood Survivor Relief Project					
Requestor	Location	County	Actual Tax Credits	Retained Jobs	Anticipated Tax Credits (over 5 years)

Hellebusch Tool & Die, Inc.		Franklin	156,846.00	63	Did not maintain thresholds-not currently receiving benefits.
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Retention Project					
Requestor	Location	County	Actual Tax Credits	Retained Jobs	Anticipated Tax Credits (over 5 years)

Express Scripts, Inc.	St. Louis	St. Louis	2,000,000.00	1034	5,000,000.00
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Grand Total - Retained Jobs Projects			2,156,846.00	1,097	5,000,000.00
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ECONOMIC IMPACT OF THE MISSOURI QUALITY JOBS PROGRAM 2005 - 2009 PROJECTS

The Missouri Quality Jobs Program targets three economic areas that are most important to Missouri's future - small and expanding businesses, advanced technology companies, and high impact projects. The difference between the Quality Jobs Program and other incentives is that the employer must produce jobs to receive state benefits and the more jobs, the greater the benefit.

Qualifying businesses are required to create a minimum number of new jobs at competitive wage levels, offer health insurance to these new employees and pay at least half of the health insurance premiums for these individuals. For example, small and expanding businesses must produce more than 20 new jobs in a rural area and 40 new jobs in a non-rural area, technology businesses must produce 10 or more new jobs, and high impact businesses must produce 100 or more new jobs - all within two years. In return, qualifying employers will keep a percentage of the state withholding taxes normally paid to the state for these new employees for a set number of years. The amount of the benefit is based on the wage paid relative to the county average wage where the employer is located. Through this approach, DED ensures that taxpayer dollars only go to businesses that create new jobs in Missouri. No projects may be approved for the retention portion of the Quality Jobs program after August 30, 2013. Prior to this date, a company considering leaving Missouri and employing at least 1,000 full-time, year round people at competitive wages and that has provided health insurance for the two years prior can qualify for a tax credit to remain in Missouri.

MQJP KEY FINDINGS

With proposals submitted to DED to date, the MQJP is projected to directly generate \$3.533 billion in new investment and create 23,103 new jobs with health benefits paying an average wage of \$61,924 per year.

At full operation in 2020, the MQJP is projected to create roughly 55,611 direct and spin-off jobs in Missouri. This translates into an employment multiplier of 2.4 jobs for every new direct job, and 219 new jobs per \$1 million dollars of MQJP tax credits and incentives.

Over 15 years, every dollar in MQJP credits and incentives is projected to return:

- \$6.79 in new general revenues for the State of Missouri, totaling \$1.468 billion over 15 years.
- \$157.47 in new personal income for Missourians, totaling \$39.915 billion over 15 years.
- \$295.87 in new value-added to the state economy, totaling \$74.993 billion over 15 years.
- \$506.52 in new economic activity in Missouri, totaling \$128.385 billion over 15 years.

Missouri Quality Jobs Program **Activity thru 2009 Calendar Year**

As of December 31, 2009, DED has approved Notices of Intent for 173 Small/Expanding, Technology and High Impact projects and 3 Retention projects from businesses to participate in the Quality Jobs Program. Most of these businesses are engaged in professional, technical, and scientific services, information technology, corporate headquarters, banking, insurance, health care, and advanced manufacturing. The direct impact of these businesses is projected to generate \$3.533 billion in new investment, and create 23,103 new jobs with health benefits paying an average wage of \$61,924 per year in Missouri. Incentives for this program are projected to cost the state \$263.8 million in general revenue. Other benefits not included in this analysis are the estimated retention of more than 3,637 jobs with health benefits. The stated impacts are likely higher due to these net new economic benefits, but we are unable to determine the extent of their impact.

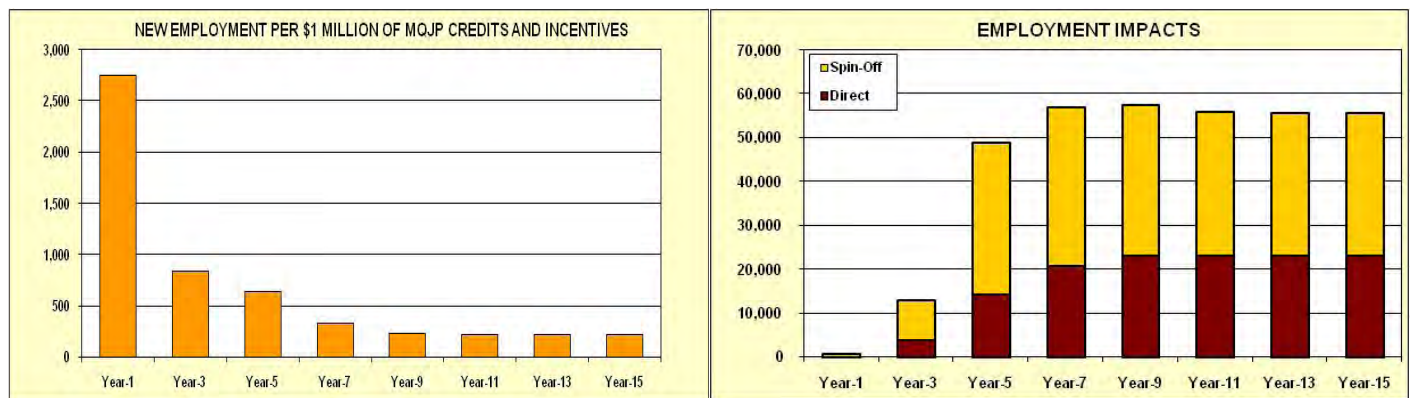
ESTIMATED ECONOMIC IMPACT

The economic impact of the Missouri Quality Jobs Program is estimated using the REMI Missouri Regional Economic Model, which has been customized for the state's 17 economic regions. The forecasting and policy analysis system includes key econometric estimates and integrates inter-industry transactions, long run equilibrium features, and the new economic geography. It includes: substitution among factors of production in response to changes in relative factor costs; migration responses to changes in expected income; labor participation rate responses to changes in real wage and employment conditions; wage rate responses to labor market changes; consumer consumption responses to changes in real disposable income and commodity prices; and local, regional, and market shares responses to changes in regional production costs and agglomeration economics.



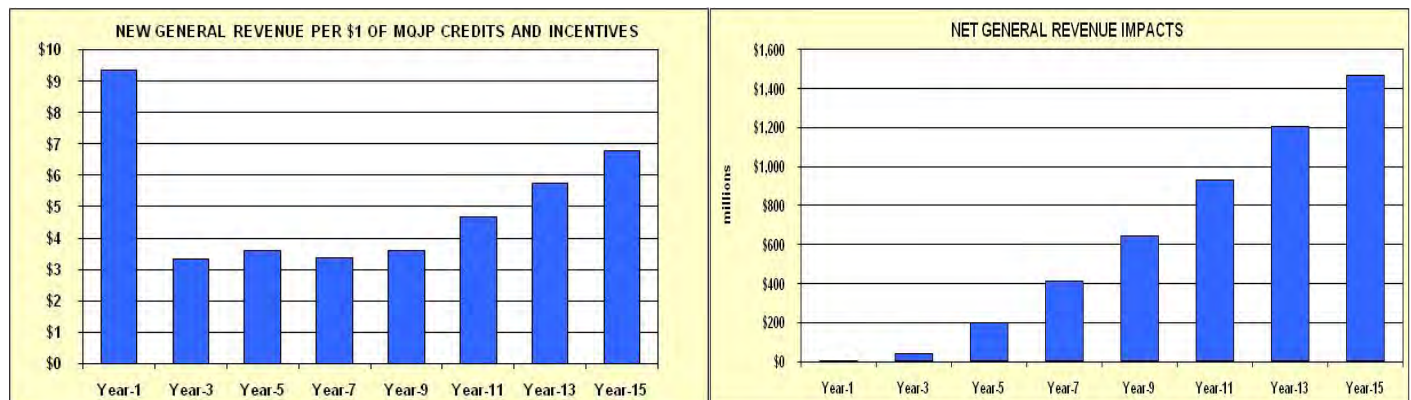
Employment

At full operation in 2020, every one million dollars of state tax credits and incentives invested in the Quality Jobs Program is projected to create nearly 219 direct and indirect jobs in Missouri. Given current projects to date, by 2020 the program is projected to create roughly 55,611 direct and indirect jobs in Missouri paying an average wage of \$52,255 per job.



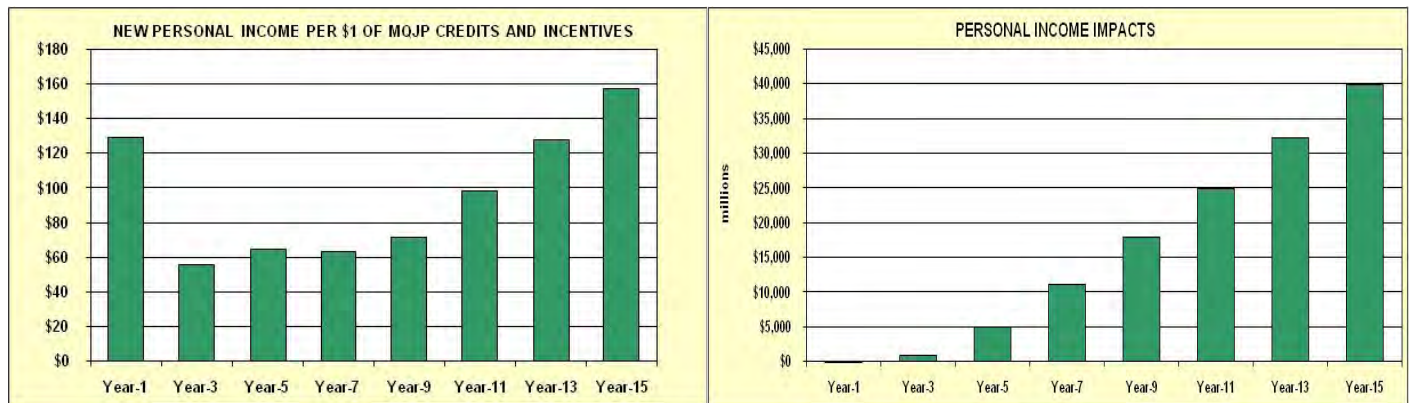
General Revenues

Over 15 years, every dollar of state tax credits and incentives invested in the Quality Jobs Program is projected to return \$6.79 in general revenue taxes to the State of Missouri. Given current projects to date, this is projected to generate \$1.47 billion in new cumulative net state general revenues over 15 years, which averages to \$97.87 million in new general revenues annually.



Personal Income

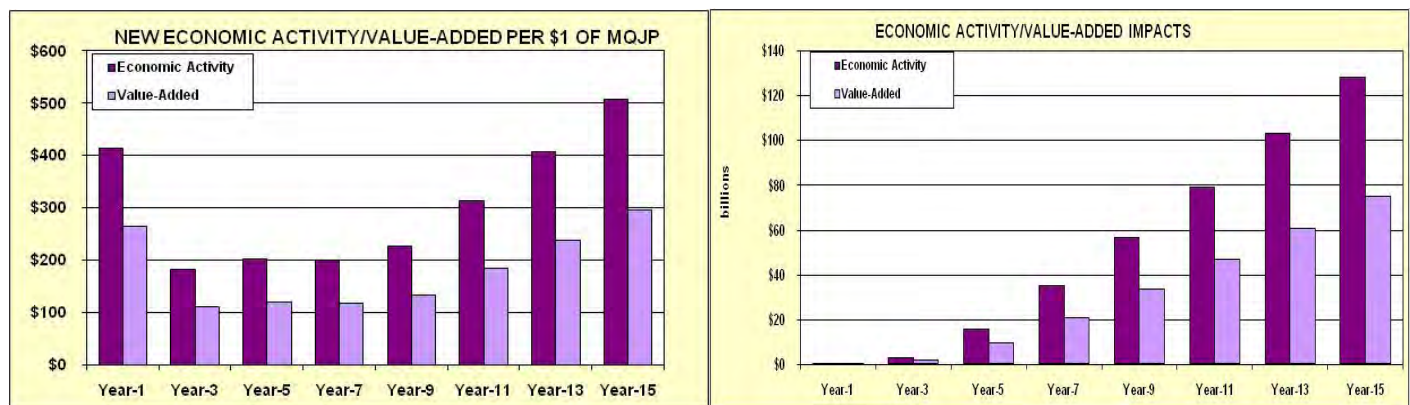
Over 15 years, every dollar of state tax credits and incentives invested in the Quality Jobs Program is projected to return \$157.47 in personal income to Missourians. Given current projects to date, this is projected to generate \$39.92 billion in new cumulative personal income over 15 years, which averages to \$2.66 billion in new personal income annually.



Economic Activity and Value-Added

Over 15 years, every dollar of state tax credits and incentives invested in the Quality Jobs Program is projected to return \$506.52 in new economic activity to the state's economy. Given current projects to date, this is projected to generate \$128.39 billion in new economic activity over 15 years, which averages to \$8.56 billion in new economic activity annually.

Another measure of economic activity is the value-added to intermediate goods and services. Value-added is equal to total economic activity excluding goods and services used as inputs in the production process. Value-added is used to pay compensation, taxes, capital, and profits. Using this measure, every dollar of state tax credits and incentives invested in the Quality Jobs Program is projected to return \$295.87 in new value-added to the state's economy. Given current projects to date, this is projected to generate \$74.99 billion in new value-added over 15 years, which averages to \$5 billion in value-added annually.



All projections of the future state of Missouri's economy carry with them some degree of uncertainty given unforeseen circumstances, changing business plans, and fluctuating business cycles. The modeling scenario in this analysis assumes that companies taking advantage of MQJ implement their corporate investment and expansion plans as set forth in their Notices of Intent.